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Let's look ahead to the market in 2023. This is not to say that I can predict what will happen in the market in the coming year; I am not an oracle.

In addition, the market – in fact, the world – is constantly changing and it is influenced by a wide range of factors, economic, political, social and environmental. This makes it impossible to predict future movements.

Because of this, it is especially important to be aware of the risks involved in investing as well as to carefully consider your own personal financial situation before making any investment decisions.

What are the risks to investing in the stock market?

There are a number of risks associated with investing in the stock market:

1) <u>Market risk:</u> The risk that the value of your investments will decline due to changes in the market.
2) <u>Volatility:</u> The stock market can be unpredictable and may fluctuate significantly in the short term.
3) <u>Inflation risk:</u> The purchasing power of your money may be eroded by inflation over time.
4) <u>Interest rate risk:</u> Changes in interest rates can affect the value of your investments.
5) <u>Credit risk:</u> The risk that a company will not be able to make payments on its debts, which could lead to a decline in the value of its stock.

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It is important to be aware of these risks and to diversify your investment portfolio in order to manage your exposure to them. It is also a good idea to consult with a financial professional before making any investment decisions.

What is volatility?

Volatility refers to the fluctuation of a financial instrument's price over a given period of time.

In the context of the stock market, volatility is a measure of how much the price of a particular stock or the overall market tends to fluctuate over time. High volatility means that a stock or the market as a whole is prone to significant price swings, while low volatility indicates that the price tends to be more stable.

Volatility can be a concern for investors because it can make it difficult to predict the future value of an investment. For example, if a stock has high volatility, its price may fluctuate significantly over a short period of time, which could make it difficult for investors to know when to buy or sell. On the other hand, low volatility may be seen as a sign of stability and may be more attractive to some investors.

However, it is important to note that past volatility is not necessarily indicative of future performance and that the stock market as a whole tends to be volatile over the short term.
Increased stock market volatility is caused by uncertainty over the economy, government policies, changes in international markets and many other factors. A single stock can suddenly become more

volatile if there are significant changes in the factors that influence that company's earnings.

In the words of Jim Morrison, "The future is uncertain but the end is always near."

It is true that the future is uncertain and that we cannot predict with any certainty what will happen in the future.

It is certainly true that the end is always near in the sense that life is unpredictable and we never know what the future holds. This is a reminder to make the most of the time we have and to prioritize the things that are most important to us.

It can be helpful to have a plan in place for how to handle various contingencies and to be prepared for the unexpected. However, it is also important to remain flexible and open to new opportunities as they arise, as the future is often full of surprises.

"Keep your eyes on the road, Your hand upon the wheel." Roadhouse Blues

Have a super financial 2023, George

If I can help you with planning for the future, please feel free to call (215-836-4880) or email the office (ellend@regardingyourmoney.com) to set up an appointment.